



SUCCESS STORY FOR DISTRIBUTION

Arrow Electronics

Recognizing that Arrow Electronics’ ability to help customers create innovative new products was being limited by manual steps in the company’s special quote and invoice processes, the company successfully implemented Kofax Kapow™ to achieve better integration with suppliers, shortened cycle times, assured data accuracy and increased satisfaction levels by customers and employees.

Challenge

For more than 75 years, Arrow has been helping customers innovate in many industries around the world. Arrow’s engineers work closely with customers throughout the entire product life cycle, from the initial idea through all stages of development. Arrow’s EMEA Components product management team plays a vital role in the process as its members help customers determine the components and related costs for innovative new products.

As company specialists in product marketing and procurement, the product management team prepares hundreds of custom proposals per partner, per week on average. The preparation process was mostly manual—special quotes simply didn’t work with Arrow’s existing B2B processes and interfaces, such as EDI and RosettaNet, because these are non-standard requests. To find the best source for a particular component, the product asset specialists asked multiple suppliers for quotes.

In addition, the process steps were often repetitive across suppliers. For a given request, the same information was provided to each supplier, but was submitted via different methods—email, PDF or web portal, depending on the supplier’s process. Offers from suppliers were also returned in varying media formats and these had to be manually incorporated into the proposal. Handling invoices from suppliers was a similar situation: the process was manually intensive and included repetitive data entry. This was not an ideal process for a company seeking to process several hundred proposals per day.



Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users. Located in Neu-Isenburg, Germany, Arrow is a supply channel partner for more than 100,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 460 locations in 58 countries.

Products in Use:

- ◆ Kofax Kapow™

Focus: Business process automation

“We expect to save hundreds of hours/month of manual work to process special quotes and invoices—with shorter cycle times, data accuracy and increased customer and employee satisfaction.”

Wolfgang Fischer, Senior Division Manager eCommerce
Arrow Central Europe Components

Solution

For Arrow, using Kapow within its components organization in Central Europe made perfect sense for a number of reasons. Quick and easy implementation was a main advantage. With Kapow best practices as their guide, Arrow was able to implement Kapow—avoiding an expensive IT project, a long chain of approvals and having to wait many months or more.

The workflow automation capabilities were another key advantage. In the fast and uncomplicated POC (proof of concept), Kapow was complementary to Arrow's existing middleware—and unique in the market as it could automate their manual tasks that standard integration tools could not. One example: an Arrow specialist logs into a web portal using credentials to request a quote and evaluates the response delivered via email.

Furthermore, Kapow's synthetic APIs interface perfectly with Arrow's existing B2B infrastructure, so no special coding, integration or assistance from IT was needed. Kapow's automated workflows mimic what users had to do manually to request and process quotes and invoices, regardless of format or location.

Results

Arrow opted to implement Kapow supplier by supplier. Because the first several workflow automations produced outstanding results, the improvements were noticed enterprise-wide. Overall, the company estimates it reduced manual effort by three minutes per order. That translates into hundreds of hours per month saved for Arrow's Components unit in Central Europe. On a global level, the business impact should further escalate because Arrow has thousands of suppliers worldwide.

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The company said the benefits of using Kapow are far more valuable to Arrow than just time saved. Now, product asset specialists can spend their time working closer with customers to help advise them on component options, as well as build stronger relationships with suppliers and do more negotiation. Cut-and-paste errors have been eliminated while faster invoice payments may yield more savings by way of qualifying for special discounts.

Although replacing a significant part of Arrow's special quote and invoice processes was considered “unthinkable” before, automation through Kapow is a success. According to the company, taking advantage of templates and frameworks has not only helped simplify and speed implementation times, but has also established a strong foundation and best practices for the global rollout.

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